

Partner Attorneys:
Matthew R. Abel, J.D.
Ann M. Cisco, J.D.
Thomas M.J. Lavigne, J.D.

Associate Attorneys:
Julia Gilbert, J.D.
Sean Myers, J.D.
Of Counsel:
Alan Kaufman, J.D.



www.cannabiscounsel.com

2930 E. Jefferson Ave.
Detroit, MI 48207
tel: 313-446-2235
fax: 313-784-9327

info@cannabiscounsel.com

Cannabis Counsel® P.L.C.

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TO: Members of the Michigan House Judiciary Committee

House Bill 4209 - now called the Medical Marihuana Facilities Licensing Act, appears to be teed up for passage today in the Michigan House Judiciary Committee.

Several aspects of the bill included in the most recent draft leaked from closed “work groups” are particularly unpalatable and unworkable:

1. The bill imposes a new 8% tax on MEDICAL marihuana. No medicine should be taxed;
2. The bill establishes a new bureaucracy costing \$13 million (adding 113 licensing enforcement personnel, and 34 state police personnel, and four more lawyers in the Attorney General’s office;
3. The bill establishes a mandatory middleman (“secure transporters”) who will have limited competition and unnecessarily drive up costs; and
4. The bill exempts testing facilities from paying a proportionate share of the licensing enforcement costs.

A legislative analysis by the House Fiscal Agency was completed and posted yesterday (even though H-2 is not posted)

Below are just a few of the comments excerpted from the analysis:

Although the costs estimated by LARA could be appropriate, and potentially accurate, for a scenario in which the recreational use of marihuana is legalized, they do not seem strictly applicable to the provisions of the bill.

If the costs estimated above (less the costs for the marihuana tracking information technology system supported by the Michigan Medical Marihuana Fund under HB 4210) were divided equally amongst medical marihuana patients, the average amount ultimately incurred by each patient would be \$227.

There is a possibility that the medical marihuana market envisioned under the bill would not bear the regulatory costs as estimated by LARA, as medical marihuana patients could opt to continue to grow marihuana or obtain it from caregivers or on the black market rather than pay potentially higher prices charged by provisioning centers.

House Bill 4827 adds new misdemeanors and civil infractions. Misdemeanor convictions would increase costs related to county jails and/or local misdemeanor probation supervision. The costs of local incarceration in a county jail and local misdemeanor probation supervision vary by jurisdiction. Misdemeanor fines and civil infraction fines are constitutionally dedicated to public libraries.

The latest versions of HB4209 and HB4827 have not been well thought-out. They clearly will cause numerous unintended consequences, while failing at their intended purpose, to move toward a regulated system and away from the illegal market.

It is time for this committee to listen to the stakeholders and fashion legislation which will serve its intended purpose.

Sincerely,

Matthew R. Abel
Attorney at Law
Cannabis Counsel®, P.L.C.
Lawyers Who Roll The Right Way
2930 E. Jefferson Avenue
Detroit, Michigan 48207
313-446-2235
Cell 248-866-0864